

# REPORT FOR: **CABINET**

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<b>Date of Meeting:</b>	14 July 2015
<b>Subject:</b>	Charges for the Provision of Helpline and Telecare Services
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Tom Whiting, Corporate Director of Resources
<b>Portfolio Holder:</b>	Councillor Kiran Ramchandani, Portfolio Holder for Performance, Corporate Resources and Policy Development  Councillor Sachin Shah, Portfolio Holder Finance and Major Contracts
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes.
<b>Wards affected:</b>	All
<b>Enclosures:</b>	Appendix 1 – Letter to Stakeholders Appendix 2 – Consultation Questionnaire Appendix 3 – Consultation Analysis Appendix 4 – Consultation Responses Appendix 5 - Equalities Impact Assessment

# 1. Summary and Recommendations

This report requests authority to increase the price of Helpline and Telecare Services.

This report summarises (1) the consultation process undertaken, (2) the results from the consultation and (3) makes recommendations accordingly.

## Recommendations:

Cabinet is requested to:

1. Note the analysis, results and comments of the consultation process undertaken.
2. Give due regard to the Equality implications as set out within paragraph 2.12 of this report.
3. Agree a price increase for the provision of the Helpline Service for Harrow Council residents that pay their charges directly to the Council of £0.58 per week with effect from 1<sup>st</sup> October 2015.
4. Agree to the introduction of charges “at cost” for Telecare equipment from 1<sup>st</sup> October 2015 as further set out within paragraphs 2.2.2 and 2.3 of this report.
5. Delegate authority to the Corporate Director of Resources to review existing Helpline pricing arrangements and approve price changes for individual Helpline contracts with organisations and customers not subject to recommendation 3 above.

## Reason: (For recommendation)

The Helpline Service has recently concluded a consultation process with its customers in relation to two potential price increase options of £0.48 per week and £0.58 per week respectively. Additionally, the consultation included a proposal to introduce charges (at cost) for the provision of Telecare equipment that is currently offered free of charge to Harrow Council residents.

## 2. Report

### 2.1 Introductory paragraph

The Helpline and Telecare Service provides a monitoring service for vulnerable Harrow and Brent Council residents as well as sheltered housing schemes and private schemes within the Harrow Council area.

The Helpline and Telecare services are discretionary services provided predominantly to residents that live alone, are of pension credit age and generally with mobility, vision and hearing impairments. The service operates through a pendant alarm that is worn around the neck or wrist. The Telecare equipment relates predominantly to sensors that can automatically contact the Helpline when activated.

If the resident becomes unwell or has a fall, they can activate the alarm by pressing the pendant which then goes through to the Council Helpline Operators. The service is available 24 hours a day, 365 days a year. Sensors can also be linked to the Helpline such that if they are activated, an automatic call is made to the Helpline Call Centre.

As pricing levels for the service have not been reviewed for a number of years despite costs increasing, two proposed pricing increase options have been the subject of recent public consultation (i.e. £0.48 and £0.58 per week).

Additionally, the consultation included a proposal for implementing charges for the provision of Telecare equipment. This equipment predominantly relates to sensors able to automatically contact the Helpline if activated. Telecare equipment is currently offered free of charge to applicants despite the cessation of subsidy that was formerly available to the Council for purchasing these.

## **2.2 Options Considered**

The following options have been considered in relation to provision of the Helpline and Telecare services:

1. Cease to provide the service,
2. Increase income generated from the provision of the service,
3. Reduce the cost of provision of the service,

### **2.2.1 Cease to provide the service**

The Helpline service offers vulnerable customers the opportunity to retain their independence by continuing to reside in their property and gives reassurance to them and their families that there is help available on a 24/7 basis in the event of an emergency. If the service were to be ceased, the above could be put at risk. An alternative option of “signposting” customers to another service provider(s) has been considered but was anticipated to create significant disruption and stress for vulnerable customers affected. Transferring all existing customers to a private provider or providers of similar services may also not be feasible in the short term in terms of securing resources and the capacity needed to manage the set up and ongoing operational arrangements. Additionally, the cost and terms of the service to the Harrow Helpline customer may not be comparable with those currently offered by the Council. A further significant factor regarding this option concerns the Helpline service provided by Harrow Council on behalf of Brent Council. Any cessation of the Harrow Council Helpline would also potentially require the Brent Council contract to be terminated, thus impacting on Brent Council and its residents as well. The Helpline service also provides a monitoring service for fire alarms activated at designated Sheltered Accommodation within the Harrow Council area and for out of hours Social Services enquiries. Consequently, the cessation of the Helpline service could also impact upon the resourcing of these other services currently provided.

### 2.2.2 Increase income generated from the provision of the service

Two price increase options for Helpline customers and the introduction of charges for Telecare equipment have been the subject of customer consultation. There are currently 717 customers within the Harrow Council area that pay their Helpline charges directly to the Council and therefore to whom the options relate.

Two price increase options were included within the consultation undertaken of £0.48 and £0.58 per week. Whilst neither of these options provides a self-financing solution, they do close the gap between the Helpline service income and expenditure.

The current cost of Telecare sensors ranges from £45 to £215 dependent upon the type of sensor and its functionality. These are currently offered to eligible customers free of charge.

Additionally, there are approximately 550 private scheme customers that access the Helpline Service and for which separate payment agreements exist. It is recommended that the pricing arrangements that exist for each of these individual schemes should be subject to review and agreement of revised charges on a case by case basis.

Between October 2014 and April 2015, the Helpline customer base increased by in excess of 100 customers thus generating an additional £11,180 per annum to income receipts for the service.

### 2.2.3 Reduce the cost of provision of the service

A budget saving of £100,000 has already been incorporated within the operating budget for the service from 1<sup>st</sup> April 2015 for service efficiencies to be achieved in 2015. Further opportunities for reducing costs and overheads will be sought and implemented as appropriate.

## **2.3 Background**

The Helpline and Telecare Service provides a monitoring service for vulnerable Harrow and Brent Council residents as well as sheltered housing schemes and private schemes within the Harrow Council area. There are also a small number of customers that subscribe to the service but who do not live in either the Brent or Harrow Council area.

The Helpline and Telecare services are discretionary services provided predominantly to residents that live alone, are of pension credit age and generally with mobility, vision and hearing impairments. The service operates through a pendant alarm that is worn around the neck or wrist. The Telecare equipment relates predominantly to sensors that can automatically contact the Helpline when activated.

If the resident becomes unwell or has a fall, they can activate the alarm by pressing the pendant which then goes through to the Council Helpline Operators. The service is available 24 hours a day, 365 days a year. Sensors

can also be linked to the Helpline such that if they are activated, an automatic call is made to the Helpline Call Centre.

The current pricing arrangements for the Helpline Service have remained unchanged for the past few years although the costs of providing the service have increased. Additionally, Telecare charges which relate predominantly to the provision of sensors and detector equipment and which are generally integrated with the Helpline service, are currently provided free of charge. A grant that formerly existed and subsidised the cost of purchasing the equipment ceased some time ago.

Examples of the sensors and their current costs that are provided through the Telecare Service are as follows:

- Fall detectors – £75 each
- Bed sensors – £135 to £215 dependent upon requirements
- Property exit sensors – £220 each
- Medical prompts – £100 to £206 dependent upon requirements
- Smoke detectors – £45 each
- Epilepsy sensors – £280 each

In view of the above, two proposed price increase options have been the subject of consultation with customers directly affected by them and their stakeholders. Additionally, a proposed option to introduce charges (at cost) for Telecare equipment was included in the consultation undertaken. The consultation was undertaken by the issue of a postal questionnaire to the 710 customers that would potentially be affected by the options proposed. A further 41 letters / emails were issued to stakeholders likely to have a vested interest in the consultation options. Appendices 1 and 2 to this report comprise the letter issued to key stakeholders likely to have an interest in the proposals and the consultation questionnaire issued to Helpline customers likely to be affected by the proposals.

The recommendations within this report have due regard to the consultation analysis and responses received which are set out in detail in Appendices 3 and 4 of this report respectively.

## **2.4 Current situation**

There are approximately 1,270 Harrow Council residents paying for the Helpline Service and a further 1,680 that receive the service free of charge either as part of a “reablement” package whereby the Council meets the cost of their support for up to six weeks, or, under the terms of their pre-existing Helpline contract.

Of the paying customers, 717 pay their charges directly to Harrow Council on a quarterly basis. There are currently three tariffs that exist for payment of the Helpline charges as follows:

- An initial payment of £180 followed by quarterly payments of £27.95,
- No initial payment and quarterly payments of £62.40,

- £41.60 per quarter (this is a legacy payment fee that is payable by some former Social Services referred customers)

In the latter case, this is not a current Helpline charge that is available. However, there are some customers that continue to pay this amount.

The remaining cases (i.e. approximately 550) within the Harrow area relate to private schemes. These schemes are primarily for premises where there is more than one resident (e.g. sheltered accommodation) and for which separately agreed charges for the premises as a whole exist with the scheme owner.

Additional to the above, Harrow Helpline provides a monitoring service on behalf of Brent Council under a contractual arrangement which provides a separate income stream to the service.

Monitoring services for fire alarm activations at sheltered accommodation within the Harrow Council area and “out of hours” duty desk calls on behalf of Social Services are also undertaken within the Helpline service and subject to separate charging arrangements and terms.

## **2.5 Why a change is needed**

The Helpline Service has not increased its prices for the past few years. During that time, operating costs have increased whilst prices have remained unchanged. Additionally, a grant that formerly existed for Telecare equipment which is currently provided free of charge to residents, is no longer available.

Within the context of the above consultation has been undertaken concerning two price increase options and the introduction of charges for the provision of Telecare equipment. A consultation questionnaire and covering letter was issued by post to 710 Harrow Helpline customers as well as a letter issued by post / email as appropriate to key stakeholders (i.e. 41 groups and organisation) located both in and outside of the Harrow area to ensure that their views and comments were obtained and given due regard accordingly:

## **2.6 Implications of the Recommendation**

### **2.6.1 Resources and Costs**

The recommendations within this report will, if agreed, assist in “closing the gap” between the operating cost of the service and the income generated from the provision of the service. There will be no implication on resources.

### **2.6.2 Staffing and Workforce Considerations**

The recommendations within this report are not anticipated to have an impact on staffing and workforce considerations.

## **2.7 Performance Issues**

The recommendations within this report are not anticipated to have an impact on current or future performance levels of the service.

## **2.8 Environmental Implications**

There are no environmental implications arising from the recommendations set out within this report.

## **2.9 Risk Management Implications**

Risk included on Directorate risk register? No

Separate risk register in place? Yes

Risks associated with the price increase have been effectively managed through the controls established at the commencement of the project. These were documented on the project risk register and managed through the Project Management arrangements.

## **2.10 Legal Implications**

Section 93 of the Local Government Act 2003 contains provisions for Local Authorities to levy charges for 'discretionary services'. Such charges must only recover costs and not make profits through charging. There is a general duty upon the Council to secure that from one financial year to the next, the income from charges for services does not exceed the costs of provision. The recommendations set out within this report are consistent with this requirement.

Consideration has been given as to whether the recommendations set out within this report will require the Council to seek authorisation with the Financial Conduct Authority under the Consumer Credit Act. However, as there is no obligation for Helpline customers to purchase the equipment, it is considered that the Consumer Credit Act will not apply to the provision of the services concerned.

The Council's Legal Service (HB Public Law), has been involved in the project and has advised on the process for seeking pricing changes and the consultation approach that was taken.

Subject to approval of the recommendations and in accordance with the terms of the agreement with customers, it will be necessary to write to those affected to give them advance notice of the price change.

The anticipated timetable based upon the current schedule of activities is set out below:

Cabinet meeting and decision – 14<sup>th</sup> July 2015

Issue notification of the price increase – 15<sup>th</sup> July 2015 to 31<sup>st</sup> July 2015

Issue invoices for quarterly payment – 1<sup>st</sup> August 2015 to 15<sup>th</sup> August 2015

Effective date for Change – 1<sup>st</sup> October 2015

Equality implications are addressed within section 2.11 of this report.

## **2.11 Financial Implications**

There are 717 customers that will be paying an additional £0.58 per week subject to approval of the recommendations given in this report. This amounts to an additional £21,625 calculated on a full year equivalent basis and will generate additional income to the service of £10,813 for 2015/16.

There are also a further 550 private Harrow schemes that are subject to individual contracts and charges for which it is recommended that the charges be subject to review and a price change agreed on a case by case basis.

During 2014/15, the following Telecare equipment was provided at no cost to the customer:

10 medication prompts costing the Council £206 each  
2 fall detectors costing the Council £75 each  
15 smoke detectors costing the Council £45 each  
3 bed sensors costing the Council £215 each.

Based upon the above volumes and costs, the recommendations in this report would generate income of £3,530 to offset the full cost of purchase.

The above income generated from the proposed Helpline service price increases (i.e. £25,155) contributes towards the service income / savings identified within the Medium Term Financial Strategy reference RES23 "Increased Income from Harrow Helpline and Reduction in Staffing Costs".

## **2.12 Equalities Implications / Public Sector Equality Duty**

Decision makers must have due regard to the public sector equality duty in making their decisions.

Consideration of the duties must precede the decision. Section 149 of the Equality Act 2010 sets out the equality duty as follows:

A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

This duty is extended to a person that is not a public authority but who exercises public functions.

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:



- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

Respondents to the consultation were asked to identify whether any particular groups were likely to be affected more than others and if so, how these may be addressed. The analysis undertaken from the consultation and comments relating to the proposals are set out in the attached Appendices 3 and 4.

An Equalities Impact Assessment for the recommended changes has also been attached at Appendix 5 to this report.

Whilst this indicates that the recommended proposals will potentially have an adverse impact on customers by virtue of age, gender and disability, the nature of the service is such that the greatest proportion of its customers are within these three protected characteristics.

Consequently, the recommendations within this report are proposed on the basis that due regard has been given to the Council's Equalities obligations and that the adverse impact identified within the Equalities Impact Assessment is justified in terms of the policy intent and recommendations concerned.

## **2.13 Council Priorities**

The recommendations contained within this report support the corporate priorities for the following:

- Making a difference for communities
- Making a difference for the vulnerable

In particular, the recommendations within this report support the continued provision of the Helpline service that facilitates independence and 24/7 access in the event of an emergency for the most vulnerable members of its communities.

The continued provision of the Helpline service allows residents to continue to live in their homes and provides assurance for their friends and families that in the event of an emergency, they will have access to a 24/7 monitoring service to provide support and arrange for the appropriate response.

### Section 3 - Statutory Officer Clearance

Name: Steve Tingle

on behalf of the  
Chief Financial Officer

Date: 15 June 2015

Name: Karen King

on behalf of the  
Monitoring Officer

Date: 15 June 2015

**Ward Councillors notified:**

**NO, as it impacts on all  
Wards**

**EqIA carried out:**

**YES**

**EqIA cleared by:**

**EqIA Quality and  
Assurance Group**

### Section 4 - Contact Details and Background Papers

**Contact:** Jonathan.Milbourn, Head of Customer Services and Access Harrow, X6711, [jonathan.milbourn@harrow.gov.uk](mailto:jonathan.milbourn@harrow.gov.uk)

**Background Papers:** None.

**Call-In Waived by the  
Chairman of Overview  
and Scrutiny Committee**

**NOT APPLICABLE**

*[Call-in does applies]*